

ARTICLE APPEARED  
ON PAGE B-2

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## THE FEDERAL DIARY

# A Bill Going Nowhere

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**C**ivil servants who were worried about having to work until age 65 to qualify for retirement benefits can probably focus their angst on other concerns—like, will Halley's Comet strike the Earth next year?

Congressional observers believe that the Reagan administration's plan to add 10 years to the federal retirement age is a dead legislative issue.

Although the higher retirement age requirement is part of the budget being worked up by the Senate Budget Committee, insiders anticipate that it will be shot down by the Senate Governmental Affairs Committee and blocked in the House by the Post Office and Civil Service Committee. In other words, it isn't likely to be part of the revised retirement package Congress will approve this year.

The Senate budget unit is working up a package of government-wide program cuts. Those recommendations will be passed to committees with jurisdiction over each area, such as defense, social security and civil service matters.

The leadership of the Governmental Affairs Committee has already rejected the idea of a 5 percent federal pay cut, although it may propose that savings be instituted through a pay freeze next year and the freezing of

cost-of-living adjustments (COLAs) for retirees. That would mean an estimated three-year saving of \$2.4 billion.

To replace the more drastic cuts proposed by the Reagan administration, the Republican-controlled committee is expected to come up with similar savings that would do less damage to workers and retirees.

In addition to the retiree COLA freeze, the Reagan administration wants to limit raises for retirees to the rise in living costs or the amount of federal pay increases, whichever is smaller. Retirees would get a full increase only on the first \$10,000 of their

annuities, and only 55 percent of the increase on amounts in excess of \$10,000.

The committee, however, is likely to reject that so-called "means test" approach, and adopt a system that continues to link retiree raises to the "cost-of-living minus formula" used by many private firms.

Under that formula, retirees get a portion of the increase in living costs—say 60 to 75 percent—but not the full inflation adjustment.

The committee also could go along with an increase in employee contributions to the retirement fund (from 7 percent of salary to 9 percent), and require the so-called "off-budget" agencies, such as the U.S. Postal Service and the District government, to pay a bigger share.

Raising the retirement age wouldn't save any money in the immediate future, and most members feel it isn't worth the hassle to try to pass it," a Senate Republican aide said yesterday. Federal workers have lots to worry about, he added, but the chances of a pay cut, or retirement age increase, are not among them.